

## FORM 1040EZ STEP-BY-STEP

**What you'll need:**

- One Form W-2 for each job held in the year
- Form 1099-INT from each payer of interest
- Pencil/pen, scratch paper. Use ink on the return you file.
- Calculator (optional)
- Blank Form 1040EZ
- Social security number for your spouse (if applicable).

**Key items****Name and address label**

- If you have a peel-off mailing label, save it to apply when you are sure your return is complete and correct and you are ready to file it. If you have no peel-off mailing label, print your name and address carefully.
- Enter your social security number (and your spouse's, when applicable). See Form W-2, box d.
- If you (and/or your spouse) want \$3 to go into the Presidential Election Campaign Fund, check "Yes." (Note: Checking "yes" will not change your tax or reduce your refund.)

**Report your income**

- Add the amount(s) in box 1 of your Form(s) W-2, and put the total on line 1 of Form 1040EZ.
- Put taxable interest (if \$400 or less) on line 2, even if no Form 1099-INT was received. If your interest income is over \$400 you must file either Form 1040A or Form 1040.
- Double-check your addition for line 4.
- See student handout 3.4, "The Dependency Tests" to find out if you should check the "Yes" or "No" box on line 5. If you check the "No" box, enter 7,050 if you are single and 12,700 if you are married.
- If you check the "Yes" box, use the worksheet on the back of Form 1040EZ to figure the amount to enter on line 5.
- Double-check your subtraction for line 6.

**Figure your tax**

- Add the amounts in box 2 of your Form(s) W-2, and put the total on Form 1040EZ, line 7. (To see if line 8a "Earned Income Credit" applies to you, see the instructions for Form 1040EZ.)
- Add lines 7 and 8a and enter the total on line 9.
- Find your tax by using the appropriate (single or married filing jointly) column of the Tax Tables. Look for your taxable income (the line 6 amount). Write in the amount of your tax on line 10.
- Double-check that you copied the figures from your W-2s and Tax Tables correctly.

**Refund or amount you owe**

- Look at lines 9 and 10 again. Check whether line 9 or 10 is larger.
- If line 9 is larger, you should complete line 11a. Subtract line 10 from line 9, and put the result on line 11a. This is the amount of your refund.
- If line 10 is larger, subtract line 9 from line 10, and put the result on line 12. This is the amount you owe.

**Sign your return**

- Double-check your addition and subtraction.
- Read the words in bold letters at the bottom of the form (above the signature line), then sign, date it, and enter your occupation.
- Attach your mailing label; make any necessary corrections right on the label.
- Be sure to enter your Social Security Number on the return.
- Attach Copy B of each W-2.
- If you owe more tax, see the instructions for details on how to pay and what to write on your payment.
- Mail your return by April 17, 2000.

## FORM 1040A

Form

Department of the Treasury—Internal Revenue Service

**1040A****U.S. Individual Income Tax Return****1999**

IRS Use Only—Do not write or staple in this space.

**Label**

(See page 19.)

**Use the IRS label.**

Otherwise, please print or type.

L  
A  
B  
E  
L  
  
H  
E  
R  
E

Your first name and initial

Last name

OMB No. 1545-0085

Your social security number

If a joint return, spouse's first name and initial

Last name

Spouse's social security number

Home address (number and street). If you have a P.O. box, see page 19.

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 19.

**▲ IMPORTANT! ▲**

You must enter your SSN(s) above.

**Presidential Election Campaign Fund** (See page 20.)

Do you want \$3 to go to this fund?

If a joint return, does your spouse want \$3 to go to this fund?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Note: Checking "Yes" will not change your tax or reduce your refund.

**Filing status**

Check only one box.

- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one had income)
- 3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶ \_\_\_\_\_
- 4 ☐ Head of household (with qualifying person). (See page 21.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ \_\_\_\_\_
- 5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19 \_\_\_\_). (See page 22.)

**Exemptions**

- 6a ☐ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a.

No. of boxes checked on 6a and 6b \_\_\_\_\_

- b ☐ **Spouse**

**c Dependents:**

(1) First name

Last name

(2) Dependent's social security number

(3) Dependent's relationship to you

(4) ☒ if qualifying child for child tax credit (see page 23)

No. of your children on 6c who:

• lived with you \_\_\_\_\_

• did not live with you due to divorce or separation (see page 24) \_\_\_\_\_

Dependents on 6c not entered above \_\_\_\_\_

Add numbers entered on lines above ☐

d Total number of exemptions claimed.

**Income**

Attach Copy B of your Forms W-2 here.

Also attach Form 1099-R if tax was withheld.

If you did not get a W-2, see page 25.

Enclose, but do not staple, any payment.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.

7

8a **Taxable** interest. Attach Schedule 1 if required.

8a

b **Tax-exempt** interest. DO NOT include on line 8a.

8b

9 Ordinary dividends. Attach Schedule 1 if required.

9

10a Total IRA distributions.

10a

10b Taxable amount (see page 25).

10b

11a Total pensions and annuities.

11a

11b Taxable amount (see page 26).

11b

12 Unemployment compensation, qualified state tuition program earnings, and Alaska Permanent Fund dividends.

12

13a Social security benefits.

13a

13b Taxable amount (see page 29).

13b

14 Add lines 7 through 13b (far right column). This is your **total income**. ▶ 14**Adjusted gross income**

15 IRA deduction (see page 30).

15

16 Student loan interest deduction (see page 31).

16

17 Add lines 15 and 16. These are your **total adjustments**.

17

18 Subtract line 17 from line 14. This is your **adjusted gross income**. ▶ 18

## FORM 1040A CONTINUED

1999 Form 1040A page 2

**Taxable income**

<b>19</b>	Enter the amount from line 18.	19	
<b>20a</b>	Check <input type="checkbox"/> You were 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Spouse was 65 or older <input type="checkbox"/> Blind } Enter number of boxes checked ▶ 20a <input type="checkbox"/>		
<b>b</b>	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here . . . . . ▶ 20b <input type="checkbox"/>		
<b>21</b>	Enter the <b>standard deduction</b> for your filing status. But see page 33 if you checked any box on line 20a or 20b <b>OR</b> if someone can claim you as a dependent. • Single—\$4,300 • Married filing jointly or Qualifying widow(er)—\$7,200 • Head of household—\$6,350 • Married filing separately—\$3,600	21	
<b>22</b>	Subtract line 21 from line 19. If line 21 is more than line 19, enter -0-.	22	
<b>23</b>	Multiply \$2,750 by the total number of exemptions claimed on line 6d.	23	
<b>24</b>	Subtract line 23 from line 22. If line 23 is more than line 22, enter -0-. This is your <b>taxable income</b> .	24	

**Tax, credits, and payments**

<b>25</b>	Find the tax on the amount on line 24 (see page 33).	25	
<b>26</b>	Credit for child and dependent care expenses. Attach Schedule 2.	26	
<b>27</b>	Credit for the elderly or the disabled. Attach Schedule 3.	27	
<b>28</b>	Child tax credit (see page 35).	28	
<b>29</b>	Education credits. Attach Form 8863.	29	
<b>30</b>	Adoption credit. Attach Form 8839.	30	
<b>31</b>	Add lines 26 through 30. These are your <b>total credits</b> .	31	
<b>32</b>	Subtract line 31 from line 25. If line 31 is more than line 25, enter -0-.	32	
<b>33</b>	Advance earned income credit payments from Form(s) W-2.	33	
<b>34</b>	Add lines 32 and 33. This is your <b>total tax</b> .	34	
<b>35</b>	Total Federal income tax withheld from Forms W-2 and 1099.	35	
<b>36</b>	1999 estimated tax payments and amount applied from 1998 return.	36	
<b>37a</b>	<b>Earned income credit.</b> Attach Schedule EIC if you have a qualifying child.	37a	
<b>b</b>	Nontaxable earned income: amount ▶ and type ▶		
<b>38</b>	Additional child tax credit. Attach Form 8812.	38	
<b>39</b>	Add lines 35, 36, 37a, and 38. These are your <b>total payments</b> .	39	

**Refund**

Have it directly deposited! See page 48 and fill in 41b, 41c, and 41d.

<b>40</b>	If line 39 is more than line 34, subtract line 34 from line 39. This is the amount you <b>overpaid</b> .	40	
<b>41a</b>	Amount of line 40 you want <b>refunded to you</b> .	41a	
<b>b</b>	Routing number <input type="text"/> ▶ <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number <input type="text"/>		
<b>42</b>	Amount of line 40 you want <b>applied to your 2000 estimated tax</b> .	42	

**Amount you owe**

<b>43</b>	If line 34 is more than line 39, subtract line 39 from line 34. This is the <b>amount you owe</b> . For details on how to pay, see page 49.	43	
<b>44</b>	Estimated tax penalty (see page 49).	44	

**Sign here**

Joint return? See page 20. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime telephone number (optional)
Spouse's signature. If joint return, BOTH must sign.	Date	Spouse's occupation	

**Paid preparer's use only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address		EIN	ZIP code



# **STANDARD DEDUCTION WORKSHEET FOR DEPENDENTS (FROM FORM 1040A INSTRUCTIONS)**

## **Standard Deduction Worksheet for Dependents—Line 21**

*Keep for Your Records*



Use this worksheet **ONLY** if someone can claim you (or your spouse if married filing jointly) as a dependent.



1. Add \$250 to the amount from Form 1040A, line 7. Enter the total . . . . .	1.	_____
2. Minimum standard deduction . . . . .	2.	<u>700.00</u>
3. Enter the <b>larger</b> of line 1 or line 2. . . . .	3.	_____
4. Enter the amount shown below for your filing status:		
• Single, enter \$4,300	}	
• Married filing separately, enter \$3,600		
• Married filing jointly or Qualifying widow(er), enter \$7,200		4. _____
• Head of household, enter \$6,350		
5. <b>Standard deduction.</b>		
a. Enter the <b>smaller</b> of line 3 or line 4. If under 65 and not blind, stop here and enter this amount on Form 1040A, line 21. Otherwise, go to line 5b . . . . .	5a.	_____
b. If 65 or older or blind, multiply the number on Form 1040A, line 20a, by \$1,050 if single or head of household; \$850 if married filing jointly or separately, or qualifying widow(er) . . . . .	5b.	_____
c. Add lines 5a and 5b. Enter the total here and on Form 1040A, line 21 . . . . .	5c.	_____

## FORM 1040A STEP-BY-STEP

**What you'll need**

- One Form W-2 for each job held in the year
- Form 1099-INT from each payer of interest
- Pencil/pen, scratch paper. Use ink on the return you file.
- Calculator (optional)
- Blank Form 1040EZ
- Social security number for your spouse (if applicable).

**Key items:****Name and address label**

- If you have a peel-off mailing label, save it to apply when you are sure your return is complete and correct and you are ready to file it. If you have no peel-off mailing label, print your name and address carefully.
- Enter your social security number (and your spouse's, when applicable).
- If you (and/or your spouse) want \$3 of your taxes to go into the Presidential Election Campaign Fund, check "Yes." (Note: Checking "yes" will not change your tax or reduce your refund.)

**Check the box for your filing status**

- If you are single, check box 1. (You may want to check Student Handout 3.9 "Which Tax Form Should You Use?" to find out whether you can use Form 1040EZ instead.)
- If you are married and want to file a joint return, check box 2.
- If you are married and want to file separately from your spouse, check box 3. Be sure to enter your spouse's name and social security number.
- If you are unmarried or do not live with your spouse and have an unmarried child living with you, you may qualify as head of household. (See the instructions for Form 1040A for more information about head of household status.) Check box 4.
- If you are a widow or widower with a dependent child, enter the year in which your spouse died and read the instructions for more information. Check box 5

**Figure your exemptions**

- If no one else can claim you as a dependent on his or her tax return, take an exemption for yourself by checking box 6a. (See Student Handout 3.4, "The Dependency Tests.")
- If you are filing a joint return, your spouse usually cannot be claimed as a dependent on someone else's return. Take an exemption for your spouse by checking box 6b. If you are filing a separate return, you can take an exemption for your spouse only if he or she is not filing a return, had no income, and cannot be claimed as a dependent of another taxpayer. Your spouse is never considered your dependent.
- Take an exemption for each person who qualifies as your dependent. (See Student Handout 3.4.) Enter names and other information on the lines under "6c Dependents."
- Complete the lines at the right, and add up the total number of exemptions. Put the total in the large box to the right of line 6d.

**Figure your total income**

- Add the amounts in box 1 of your Form(s) W-2, and put the total on Form 1040A, line 7.
- If you received taxable interest income, put the total on line 8a.
- If the amount you entered on line 8a is more than \$400, put the name of each party who paid you interest and the amount on Part I of Schedule 1. Put your name and social security number on Schedule 1, and attach it to your return.
- If you received tax-exempt interest income (for example, from municipal bonds), enter the amount on line 8b and refer to the instructions.
- To see if lines 9 through 13b apply to you, see the form instructions.
- Add the amounts on lines 7, 8a, 9, 10b, 11b, 12, and 13b. (Do not include lines 8b, 10a, 11a, or 13a.) Write the total income on line 14. Double check your addition.

**FORM 1040A STEP-BY-STEP  
(CONTINUED)****Figure your adjusted gross income**

- To see if line 15 or line 16 applies to you, see the instructions.
- If line 15 or line 16 does apply to you, add the amounts on lines 15 and 16 and enter the total on line 17. Then follow the instructions for line 18.
- If line 15 or line 16 do not apply to you, write the amount from line 14 on line 18.

**Figure your standard deduction, exemption amount, and taxable income**

- Put the amount from line 18 on line 19. To see if box 20b applies to you, see the instructions.
- If you did not check box 20b, look back at lines 1-5 where you checked box 1, 2, 3, 4, or 5. If you checked box 1, put \$4,300 on line 21. If you checked box 2 or 5, enter \$7,200. If you checked box 3, enter \$3,600. If you checked box 4, enter \$6,350.
- If someone can claim you as a dependent, see the instructions for line 21, Form 1040A.
- Subtract your standard deduction, line 21, from your adjusted gross income, line 19. Double-check your subtraction, and enter the amount on line 22.
- Look at line 6d. Multiply the number you put there times \$2,750. Put the total on line 23.
- Subtract the amount entered on line 23 from the amount on line 22. Enter the result on line 24.

**Figure your tax, credits, and payments**

- Look at your taxable income (line 24) and find the pair of figures that includes this amount of income in the Tax Tables. Find the column that applies to you to find your tax. Enter this amount on line 25.
- See the instructions to see if lines 26, 27, 28, 29, 33 or 33 apply to you. If these lines do not apply, write the line 25 amount on line 34. If those lines do apply, follow the instructions on lines 31, 32 and 34.

- Add the amounts in box 2 of your W-2, and put the total on line 35. (To see if lines 36 or 37a apply to you, see the instructions.)
- Add any amount on lines 36, 37a or 38 to line 35 and enter the total on line 39.

**Figure your refund or the amount you owe**

- Look at lines 34 and 39 again. Check whether line 34 or line 39 is larger.
- If line 39 is larger, you should complete lines 40 and 41a. (To see if line 42 applies to you, see the instructions.) Subtract line 34 from line 39 and put the result on line 40. This is the amount you overpaid. Enter on line 41a the amount you want refunded to you.
- If line 34 is larger, you should complete line 43. Subtract line 39 from line 34, and put the result on line 43. This is the amount you owe.

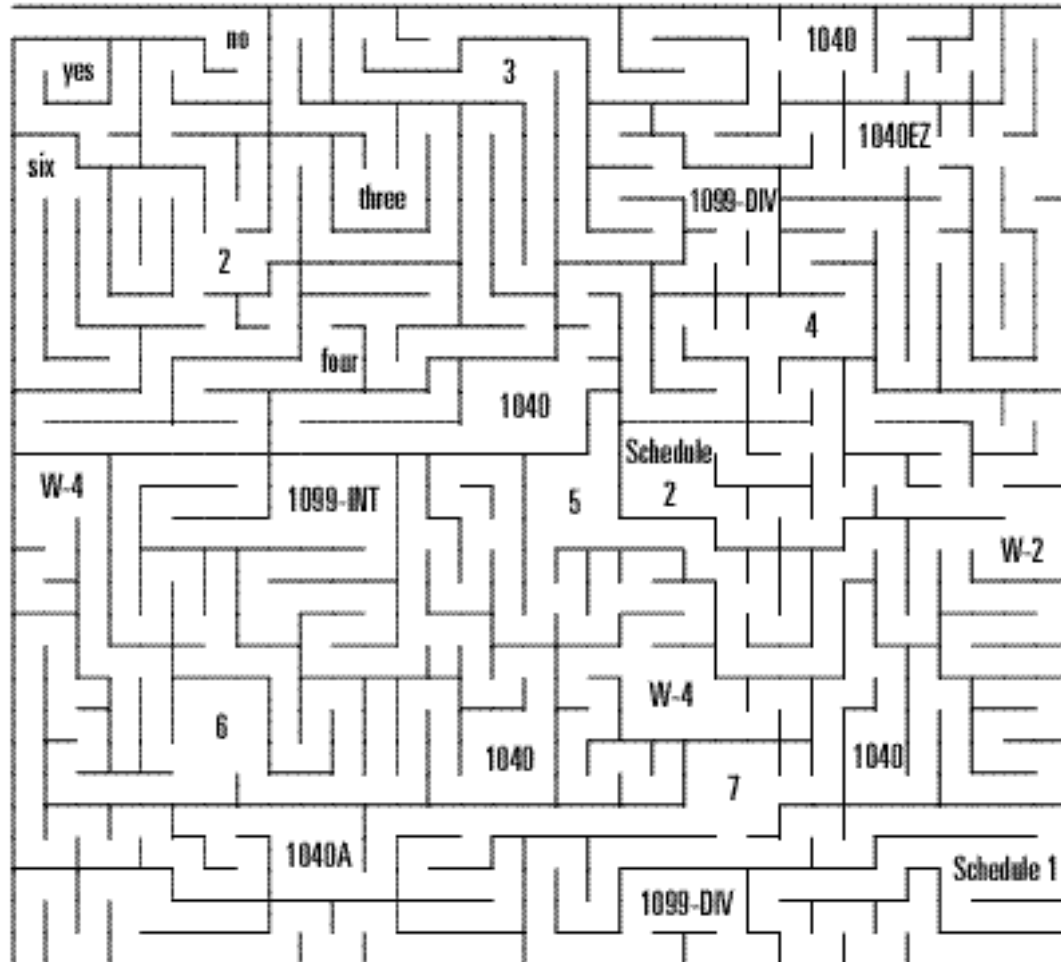
**Sign your return**

- Carefully read the words above the line for your signature, then sign and date your return and write in your occupation.
- Attach your mailing label; make any corrections right on the label.
- Be sure to enter your SSN and your spouse's (if applicable) on the return.
- Attach copy B of each W-2.
- Attach any schedules you used.
- If you owe more tax, see the instructions for details on how to pay and what to write on your payment.
- Mail your 1999 return by April 17, 2000.

## THE TAX MAZE

**Directions** Read question 1 below. Then enter the maze at “Start 1” and find your way to the correct answer to the question. From there, go to “2”, read question 2, and continue on through the maze until you find the answer to that question. Continue on through the maze until you have answered all seven questions in order.

Start 1



Finish Collect your tax refund

1. You expect to earn about \$375 in your first summer job and about \$675 in interest this year. Are you exempt from withholding?
2. You are 25, your spouse doesn't work, and your 14-year-old brother qualifies as your dependent. How many allowances can you claim on your W-4?
3. You are 16, single, claimed as a dependent on your parents' tax return, and earned \$2,457 last year. Which return do you file?
4. You earned \$640 at your after-school job and you have completed your Form 1040EZ tax return. What form do you need to attach to it before you mail it in?
5. You have a savings account at your bank. What form will tell you how much interest you earned in the past year?
6. You and your spouse file a joint return showing a combined salary income of \$47,000 with no other sources of income, and you have two children. Which return do you file?
7. You earned \$534 in interest income last year. What will you need to attach to your Form 1040A?



## LESSON SUMMARY FROM W-4 TO W-2

Key terms are in boldface. Their definitions should be checked in Student Handout 3.1, “Glossary of Key Terms.”

### From W-4 to W-2

- U.S. citizens and residents generally have to pay tax on their income, based on ability to pay.
- Federal income tax is collected on a pay-as-you-go basis. Employees usually have taxes taken out of – withheld from – each paycheck that is subject to tax. (See Tax Withholding.)
- Employees provide information on Form W-4 so employer can determine how much should be withheld from their wages. Employees are expected to fill out Form W-4 accurately and honestly.
- To fill out a Form W-4, it is important to understand the meaning of **dependent** in tax law. (See Student Handout 3.4, “The Dependency Tests.”)
- Some people are not required to have any tax withheld. (Check the definition of **exempt from withholding**. Then work through Student Handout 3.3, “Are You Exempt from Withholding?” to find out whether you are exempt.)
- Taxpayers may claim withholding **allowances** (personal and dependency) on Form W-4. The total number of allowances listed on a Form W-4 is not the same as exemptions (personal and dependency) that an employee expects to claim on his or her return. Exemptions are subtracted from adjusted gross income on the return before the tax liability is figured. The exemption amount for 1999 is \$2,750. It's important to determine the right number of allowances on Form W-4 because an employer withholds tax based on wages paid and information the employee provides on Form W-4. (See the **Withholding Allowance**.)
- If you are **single** and have **more than one job** and your combined earnings from all jobs exceed \$32,000, OR if you are married and have a **working spouse or more than one job** and the combined earnings from all jobs exceed \$55,000, use the Two-Earner/Two-Job Worksheet to avoid having too little tax withheld. The worksheet will help you estimate your tax liability so that your withholding can more closely match it. (See Form W-4)
- Taxpayers may, even if they are married, request withholding at the rate for single people, which is higher than that for married people, in order to cover taxes that might be owed on other sources of income, such as interest or dividends.

- On the basis of the information employees provide on their W-4 forms, employers calculate the amount of tax to withhold. By Jan. 31 of each year, they give employees copies of Form W-2 that show how much employees earned in the previous year and how much was withheld. Employees should check this form for accuracy. They are required to attach a copy to their tax return.

### Filing a Return

Even if you do not owe any taxes, you should file a return if you had any federal income taxes withheld from your pay. Filing a return is how you have them refunded.

For 1999, you had to file a return if you are under age 65, not blind, and

- are someone's dependent, are not married, and had **earned income** of over \$4,300
- are someone's dependent, are not married, and the total of your unearned and earned income was more than the **larger** of • \$700 or • your earned income (up to \$4,050) plus \$250
- are someone's dependent, are married, and had earned income of over \$3,600
- are someone's dependent, are married, and the total of your unearned and earned income was more than the larger of • \$700 or your earned income (up to \$3,350) plus \$250
- are someone's dependent, are married, had gross income of at least \$5.00, and either your spouse files a separate return and itemizes **deductions** or you had net earnings from self-employment of at least \$400.

You also had to file a return if you

- are not someone's dependent, are single, and had gross income of \$7,050 or more
- are not someone's dependent and are a head of household with gross income of \$9,100 or more
- are not someone's dependent, are married filing separately, and had gross income of at least \$2,750
- are not someone's dependent, are married filing jointly, and had gross income of at least \$12,700.

See Student Handout 3.8, “Should You File a Tax Return?”

## **LESSON SUMMARY (CONTINUED) FROM W-4 TO W-2**

Once you have decided that you need to file a return, you need to decide which form is most appropriate for you. Form 1040EZ is the simplest and most likely to be used by students. You can use this form if you

- are single and claim an exemption only for yourself or are married and filing a joint return with no dependents
- had less than \$50,000 in taxable income
- had no sources of income other than wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, qualified state tuition program earnings, Alaska Permanent Fund dividends, and not more than \$400 of interest income
- had no income adjustments, itemized deductions, or other taxes and the only credit you claim is the earned income credit.

Forms 1040A and 1040 are used by people whose tax situations are more complex. See Student Handout 3.9, “Which Tax Return Form Should You Use?”

To fill out Form 1040EZ, see Student Handout 3.12, “Form 1040EZ Step-by-Step.”

### **1040A and Beyond**

In certain cases, you may need to file Form 1040A or 1040 instead of Form 1040EZ. You will need to use Form 1040A or Form 1040 if you:

- claim more than two exemptions (for yourself and your spouse)
- are a qualifying widow(er) with a dependent child or a head of household
- have more than \$400 worth of interest income
- have sources of income besides those listed for Form 1040EZ.

(See Student Handout 3.9, “Which Tax Return Form Should You Use?”)

Form 1040A is somewhat more complex than 1040EZ. You may need to use an additional form, Schedule 1, to list sources and amounts of your interest dividend or income. Depending on your situation, you may need to use other worksheets or schedules as well.

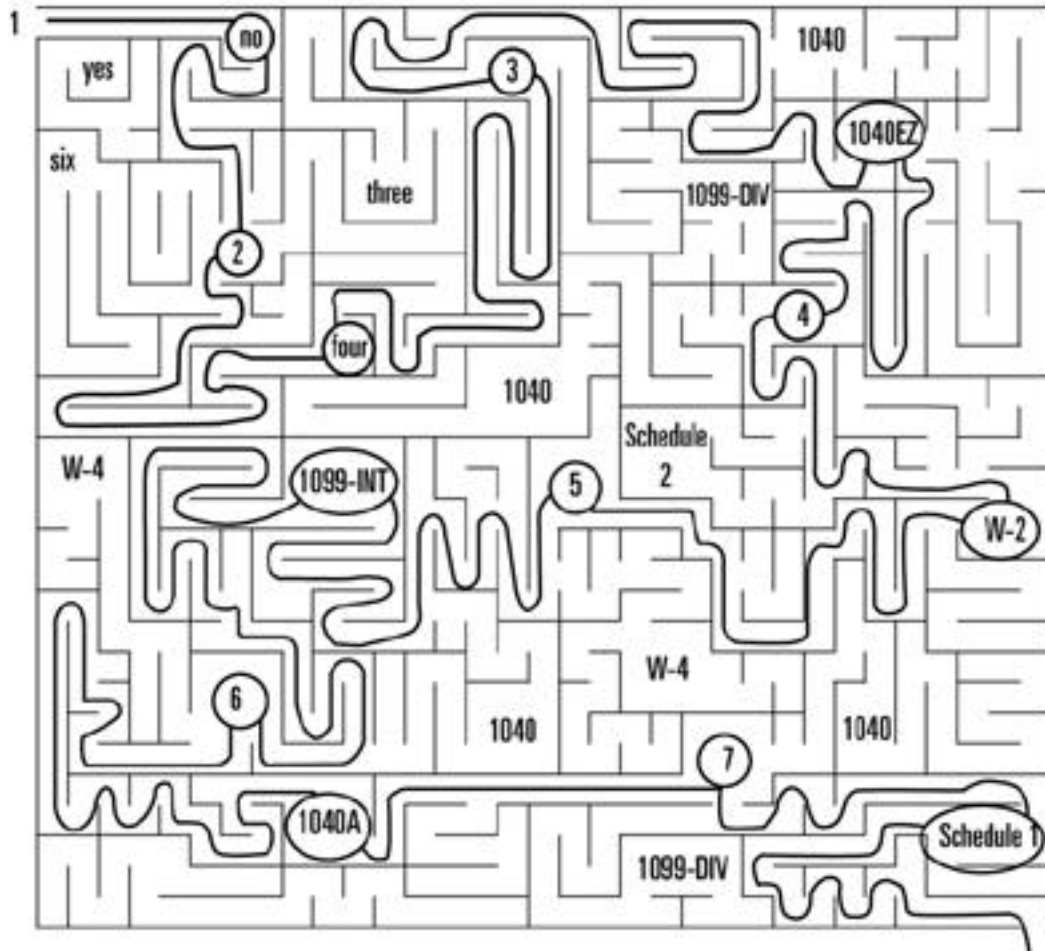
Complete Form 1040A carefully, using Student Handout 3.16, “Form 1040A Step-by-Step” and the instructions.

Any taxpayer can use Form 1040.

## ANSWERS – THE TAX MAZE

**Directions** Read question 1 below. Then enter the maze at “Start 1” and find your way to the correct answer to the question. From there, go to “2”, read question 2, and continue on through the maze until you find the answer to that question. Continue on through the maze until you have answered all seven questions in order.

## Start 1



## Finish Collect your tax refund

- 1.** You expect to earn about \$375 in your first summer job and about \$675 in interest this year. Are you exempt from withholding?
- 2.** You are 25, your spouse doesn't work, and your 14-year-old brother qualifies as your dependent. How many allowances can you claim on your W-4?
- 3.** You are 16, single, claimed as a dependent on your parents' tax return, and earned \$2,457 last year. Which return do you file?
- 4.** You earned \$640 at your after-school job and you have completed your Form 1040EZ tax return. What form do you need to attach to it before you mail it in?
- 5.** You have a savings account at your bank. What form will tell you how much interest you earned in the past year?
- 6.** You and your spouse file a joint return showing a combined salary income of \$47,000 with no other sources of income, and you have two children. Which return do you file?
- 7.** You earned \$534 in interest income last year. What will you need to attach to your Form 1040A?